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STATE FOR EUR-RPM (MONAHAN)
DEFENSE FOR OASD/ISA (EURO-NATO); USDAT&L/DUSD-IE (VAUGHT);
OASD/NII (HANSEN); EUCOM J4-EN ENGINEER DIV (MC) (CAPT
JACKSON); CENTCOM-J4-E (COL GREY); JOINT STAFF J-4 (MR
MACKIE), J-5 (LTC SEAMON)

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TAGS: [AORC](#) [MARR](#) [NATO](#)

SUBJECT: RFG: SENIOR RESOURCE BOARD APRIL 19 & 20 PLENARY
MEETING

REF: A. SRB-A(2007)0004 AND SRB-A(2007)0006

- [1](#)B. MBC-M(2006)0220
- [1](#)C. PO(2005)0098
- [1](#)D. SRB-N(2005)0010-ADD12
- [1](#)E. SG(2006)0839+AS1
- [1](#)F. SRB-N(2007)0019
- [1](#)G. SRB-N(2007)0013
- [1](#)H. C-M(2007)0010
- [1](#)I. SRB-WP(2007)0001
- [1](#)J. IMSM-0107-2007
- [1](#)K. SRB-D(2007)0004
- [1](#)L. MC 0541 (FINAL)
- [1](#)M. SRB-N(2007)0024

Classified By: ADEFAD CLARENCE JUHL. REASON 1.4.(B/D)

[1](#)1. (C) The Senior Resource Board (SRB), meeting in Brussels on April 19 and 20, will consider the International Staff (IS) draft of the 2008 to 2012 Medium Term Resource Plan and endorsement of the capability package (CP) for logistics information system services. The Board will hear status reports on the development of the intelligence, surveillance, and reconnaissance (ISR) for the International Security Assistance Force (ISAF) operations; the resource aspects of the current operations in Afghanistan, Iraq, Kosovo, Darfur and the Mediterranean; and the establishment of the new NATO Office of Resources (NOR). The Board will hear status reports and consider the way ahead for any outstanding work for: Missile Defense Feasibility Study, the funding of transportation for short-notice deployment of the NATO Response Force (NRF), funding implications of NATO participation in humanitarian operations, the NATO Command Structure (NCS) peacetime manning review, the interim evaluation of the financial and force generation impact of the expansion of common funding eligibility for operations, the economic benefit assessment for resource burdensharing, and the Air Command and Control System (ACCS) implementation. The Board will also consider in restricted session the election of the new Chairman of the Board. Unless otherwise directed by OOB April 19, Mission will take the positions detailed herein. END SUMMARY AND REQUEST FOR GUIDANCE.

[1](#)2. (C) Mission has reviewed reference documents for the

April 19 and 20 SRB meetings (Ref A agenda) and recommends the following U.S. positions:

RESOURCE PLANNING AND POLICY ISSUES

ITEM I. CRISIS RESPONSE OPERATIONS AND MISSIONS RESOURCE UPDATES

1A. ISAF: The Board will receive status reports from the NATO Military Authorities (NMAs) and the Chairmen of the implementing committees (Infrastructure and Military Budget) regarding the force generation process, investment, O and M, and outsourcing for the Afghanistan operation. The International Military Staff (IMS) representative will report on the Military Committee (MC) deliberations of the ISR Minimum Military Requirement (MMR) and whether outsourcing should be considered. Current estimates for ISR are 28 MEURO per year if provided by a lead nation and 93.2 MEURO per year, if outsourced (Ref B). IAW Ref C, the SRB must approve any outsourcing. SHAPE will report on the status of outsourcing at the Kandahar Aerial Port of Disembarkation (APOD) to enable NATO to assume responsibility for the APOD this summer, the accommodations for non-Crisis Establishment personnel (contractors, agencies, and coalition) within the ISAF compound at Kabul, and communications initiatives. Mission recommends supporting outsourcing of the ISR capability, if required and noting the updates.

1B. BALKANS: The Board will receive status reports from the NMAs and the Chairmen of the implementing committees on common funded investment, O and M, and outsourcing for the Balkans' operations. SHAPE will provide a specific report on the results of the Camp Nothing Hill, Kosovo audit and the periodic mission review. Mission will note the updates.

1C. NATO TRAINING MISSION IRAQ (NTM-I): The Board will receive status reports on the force generation process, common-funded investment and O and M, and trust funding, from the NMAs, the IS, and the Chairmen of the implementing committees. SHAPE will report on the contract guard service requirements and the resource development plan which is expected to include infrastructure, CIS and budgetary requirement projections for the next 12 months and forecasts for the next three years. The Board will note an IS trust fund report that includes the U.S. pledged and provided funds of 390 KEURO (\$500K) in 2005 and 794.16 KEURO (\$1,000,000) in 2006 (Ref D). Mission recommends supporting an extension of the contract guard service, if necessary, and noting the updates.

1D. NATO LOGISTICAL SUPPORT TO THE AFRICAN UNION MISSION IN SUDAN (AMIS). The Board will hear briefings from SHAPE on mission progress and potential mission expansion, and from the Chairmen of the implementing committees on common funded expenditures. Mission is unaware of any funding issues and will note the briefings.

1E. ARTICLE 5 OPERATION - ACTIVE ENDEAVOUR: The Board will receive oral status reports from the NMAs on the ongoing ACTIVE ENDEAVOUR operation. Minimal common funding is used to support this operation, and Mission is unaware of any outstanding funding issues. Mission will note the update.

ITEM II. REPORT ON ISSUES WITH CURRENT OR FUTURE RESOURCE IMPLICATIONS. The Chairman will update the Board on the status of the following issues with resource implications, seek initial views, and consider the way ahead:

1A. Short-Notice Deployment of the NRF. The NAC agreed the compromise proposal to provide financial support for short-notice deployments of the NRF for a two year period (Ref E). The compromise proposal stipulates a flat rate of reimbursement to nations, below actual costs, that would only be available to those nations that have put in motion ways to meet their air-lift needs, such as ownership of aircraft, participation in SALIS, the C-17 consortium or the A400M. In agreeing the proposal, the NAC tasked the MC to define the meaning of short notice deployments to ensure that common

funding covered only genuinely urgent requirements and in this context to advise on the appropriate balance of air-lift and sea-lift. The Board will hear status report on the MC work and consider the way ahead to develop appropriate funding arrangements.

1B. Funding Implications of NATO participation in Humanitarian Operations. The NAC tasked the SRB to develop a report on the funding implications of NATO's participation in humanitarian operations on the basis of the final MC and SCEPC reports on lessons learned from the Pakistan earthquake relief operation and the assistance to the U.S. following Hurricane Katrina. Based upon the Board's informal discussions, the IS prepared a non-paper (forwarded to Washington Agencies) which proposes that the current principles of eligibility for common funding be maintained and trust funds should be used to support engineering projects and the transportation of humanitarian supplies for these operations. Mission recommends supporting additional informal discussions with a goal of producing a final report to the NAC.

1C. Interim Evaluation of the Revised Funding Policy for Non-Article 5 NATO-led Operations. The Board will hear inputs from the NMAs and the IS on the impact the 2005 agreement to expand common funded eligibility (Ref C) has had on the force generation and costs of crisis response operations. The MC report should address the impact of the funding policy on force generation, the use of lead nations, the requirements for outsourcing, the overall resource implications, as well as the impact of the new funding approach on interoperability and on standardization. Mission recommends noting the inputs and advocating a longer evaluation period to allow the full impact of the new funding policy to become apparent.

1D. Update on the Peacetime Establishment (PE) Review of the NATO Command Structure (NCS). On December 7, the Leader of the International Military Staff (IMS) Review Task Force briefed the Board and Executive Working Group (EWG) on the proposed options for an adapted NCS which range from maintaining the current structure with some internal rebalancing to full closure of some geographical command locations. The Independent Advisory Team (IAT) reviewed the proposed options and made several recommendations to the MC to focus on specific areas within and between the options in order to balance military effectiveness with affordability. The IMS drafted a report for MC consideration which recommends the closure of three component commands in ACO, the relocation of some ACT Staff Element Europe from Mons to Brussels, and a five sector CIS structure for NCSA for consideration by the MC. The Board considered the potential resource implications of the IMS proposal and concluded that it is not possible at this stage to provide reliable and detailed cost analysis of the proposal under discussion in the MC (Ref F). The Board will hear status report on the ongoing MC deliberations and will meet jointly with the EWG on April 23 for further joint discussions and to consider the way ahead.

1E. Broader Burdensharing Discussions. In July 2005, the Council agreed the SRB-proposed new cost-share arrangements for the NATO budgets, i.e., future changes in cost shares, to have them more closely align with Gross National Income (GNI) (with the U.S. excepted), and tasked the SRB to continue its work in reviewing burden-sharing arrangements to identify more equitable and stable mechanisms. The Board agreed, as a first part of the burden-sharing arrangements, the detailed mechanism to be used to assess the nationally provided manning of NATO critical operational activities. The Chairman will report on the status of the follow-on burden-sharing work to review economic benefits nations derive from NATO common funding. Mission will note this effort, which will not include the U.S.

1F. Missile Defense Feasibility Study. The Council

tasked the Board to provide a preliminary assessment of the affordability of the recommendations of the Missile Defense Feasibility Study for a NATO-wide architecture and one mid-course interceptor (Ref G). In March 2007, the Board tasked the IS to prepare a report outlining the resource issues of the potential Missile Defense program. The Board will hear an update on the status of the report and consider the way ahead. Mission recommends supporting consideration at an early preparatory session.

1G. ACCS Implementation. Currently, the ACCS implementation is three years behind the original schedule and the IS and the IC independent advisor contractor project a minimum additional delay of two years. In December, the IS identified additional unfunded requirements of 80 MEUROs and the potential of cost overruns of another 70 MEUROs. The Board will hear an update on the implementation of the ACCS program. Mission will note the update.

ITEM III. NATO HEADQUARTERS RESOURCE REFORM. In April 2006, the NAC agreed that the SRB should assume a lead policy and planning role in all military resource areas and that the MBC and IC should be oriented towards implementation. In February, the Council agreed to establish a NATO Office of Resources (NOR) and new the terms of reference (TOR) for the resource committees which establishes a heirarchical structure, i.e. the IC and MBC reporting to the SRB (Ref H). On April 4, the Board agreed to again revise the IC TOR to designate that the future IC chairman will be nationally sourced in lieu of a member of the IS. Martin Versnel (NL), the Deputy NOR designate will report on the planned organizational structure and functional relationships of the NOR and the status of establishing the office. Mission recommends noting the update and advocating for an early establishment of the NOR.

ITEM IV. 2008-2012 MEDIUM TERM RESOURCE PLAN. The Board will consider the draft of the IS proposed 2008 to 2012 medium term resource plan (ref I). In February, the MC tasked the budget holders to provide impact statements for each budget at a level 5 percent below the SRB agreed guidance level of zero nominal growth, i.e. the 2007 budget figures (Ref J). The MC will consolidate the various budget holders impact statements into a single impact statement at zero nominal growth. The IMS will update the Board on the status of the preparation of the consolidated impact statement and the ongoing MC deliberations. Mission will note the update.

ALLOCATION OF RESOURCES CAPABILITY PACKAGE AND STAND-ALONE PROJECTS.

ITEM V.A. I.S./IMS CAPABILITY PACKAGE OVERVIEW: The Board will receive the regular IS/IMS status report on the active and pending capability packages. The Board will also receive an I.S. presentation on the NATO Pipeline System. Mission will note the briefings.

ITEM V.B. BI-SC CAPABILITY PACKAGE 9C0103 FUNCTIONAL SERVICES FOR LOGISTICS C2. The Board will consider endorsement of this CP (Ref K), which will provide the information system services to support the logistics functions within the NATO command structure. The CP has a priority of 2 and the required capabilities are categorized as Essential 1 in accordance with the MCs new CP prioritization process (Ref L). The NSIP investment costs included in this CP are 43 MEURO, however another 29 MEURO in programming are planned to be requested through a later addendum; O and M costs are 6.1 MEURO; and 7 additional common funded manpower posts are required, 5 at NCSA and 2 at NAMSA. The MC is considering endorsement of the CP under silence procedure expiring April 16. Mission recommends supporting endorsement of the CP, subject to MC endorsement.

13. (C) The Board will meet in restricted session on April 20 to consider the election of the next SRB Chairman. This new Chairman will also serve as the resource advisor to the Secretary General and the Council/DPC, thus effectively an

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Assistant Secretary General. Three nations have candidates running for the position; The Netherlands, Greece and Spain.

THE ELECTION PROCESS. The election, similar to that of the MBC/CBC Chairman, will be conducted on a secret weighted preferential vote, with one vote per nation, until only two candidates remain. Nations will assign points to the candidates based upon the preferences, i.e. for the first round, first choice - 3 points, second choice - 2 points, etc. The nation whose candidate received the fewest points will be asked whether they are willing to withdraw their candidate. Once only two candidates remain, a blank ballot is issued and nations will secretly write their preferred candidate. The nation of the candidate with the fewest votes will be asked whether they are willing to withdraw their candidate and if so, the Chairs will ask if all nations are willing to accept the candidate receiving the majority of the votes. The rule of consensus still applies, any nation may elect to not withdraw their candidate despite receiving the fewest points/votes or may block the selection of a candidate receiving the majority of votes. In either event, the Chairs may call for nations to nominate new candidates or refer the issue to the NAC for resolution (Ref M not yet issued).

THE CANDIDATES. Resumes of all candidates were forwarded to Washington Agencies. Below is Mission,s assessment of each candidate.

¶A. Raymond Thuis (the Netherlands). Thuis serves on the SRB and is the Deputy Comptroller for Ministry of Defense. Mission personnel have had several discussions with him and his views on resource management appear to be closely in line with U.S. views. We understand that Thuis recently visited OSD and State in Washington.

¶B. Major General Nick Papaprokopiou (Greece). Papaprokopiou serves on the SRB and has done so for a total of nine years. He understands NATO resource management. Although openly supporting initiatives that provide jobs, contracts, and money for his nation and the southern region of NATO, he is practical and easy to negotiate and work with.

¶C. Alvaro Pino Sales (Spain). Pino previously served as Chairman of the MBC/Civil Budget Committee and Mission considered his performance adequate. For the past three years, his work has not involved NATO resources. Pino is relatively junior, a Colonel in the Army, whereas most members of the SRB are SES equivalent or General Officers. Reasons for establishing the NOR and subordinating the IC and MBC to the SRB included the need to bring the MBC "club" under control and force them to coordinate better with others in the resource community. We would expect Pino to support "old school" MBC views. Also, as a southern European, we would expect him to support that region,s views on NATO resource management, i.e. more jobs, contracts, and NATO money for them.

RECOMMENDATION: Based upon his qualifications and views on resource management, Mission recommends supporting the Dutch candidate, Thuis for the post.

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